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United States House of
Representatives
Committee on Financial
Services
Washington, D.C. 20515

SPENCER BACHUS, AL, RANKING
MEMBER

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Foreclosure Resource Manual to Assist Constituents

Dear Colleague:

As you know, a record number of American families are facing or are at risk of foreclosure. According to data from the Mortgage Bankers Association, foreclosures and delinquencies are at their highest level in more than 30 years. Much of the problem can be traced to the proliferation of subprime and other exotic adjustable rate loans given to consumers with little regard to the borrower's ability to repay. With an estimated 2 million of these adjustable-rate mortgages scheduled to reset over the next year, this crisis is far from over and has the potential to cause serious problems for the overall U.S. economy.

The Financial Services Committee has been trying to help people at risk of foreclosure stay in their homes and plans to take additional actions to address predatory lending and the causes of the foreclosure crisis. We recognize that foreclosures not only affect the families that lose their homes, but also have serious consequences for surrounding communities.

In response to Members' requests for information to provide to their constituents, the Financial Services Committee has created a "Foreclosure Resource Manual" describing various foreclosure prevention resources available to homeowners. The manual includes telephone numbers and website addresses for government agencies, non-profits and the Government Sponsored Enterprises that have developed initiatives to help homeowners who are having trouble with their mortgages. These resources include 24-hour, 7 day a week hotlines that refer borrowers to approved housing counseling services; links to organizations that can intervene on behalf of borrowers facing foreclosure; information on refinancing and financial assistance to eligible borrowers; links to educational information on how to avoid foreclosure; and links to state Attorneys General who can help investigate complaints of abusive mortgage lending practices.

If you have questions or need additional information please contact me, or have your staff contact Patience Singleton or Michael Beresik on the Financial Services Committee staff.

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